TESTIMONY BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON VETERANS' AFFAIRS

DEERE & COMPANY

24 MARCH 2004

Good morning Mr. Chairman and Committee members. My name is Steve Wohlwend, Senior Division Manager of Industrial Relations for Deere & Company. It is a pleasure to come before you today representing John Deere.

John Deere is a 167-year-old global enterprise based in Moline, Illinois, that not only has a rich tradition of supporting those engaged in the agriculture, construction, forestry and grounds businesses, but also has a long history of supporting our military in times of international crisis. John Deere has been on the battlefields since the outbreak of the Civil War. Whether with wartime machines such as wagons, tractors or excavators, or with the recruitment and mobilization of support services here at home, John Deere has answered the call. Today, John Deere answers the call with thousands of employees participating in National Guard and Reserve units across the nation.

The Committee's interest in employer support for Reservists and Guardsmen is admirable and one that we share. It is John Deere's philosophy that our support for those called to duty is not only the right thing to do for America, but it is also good business. Our ability to recruit and retain outstanding talent is strengthened by our company's progressive policies towards Reservists and National Guard members who are becoming an increasingly important component of our nation's defenses. By standing by our deployed employees, John Deere becomes a more attractive employer, and our own recruiting efforts are enhanced.

We have found that the most important result is a more loyal and committed workforce strengthened by employees who have returned from military service. Our approach is to preserve the career of those called to military duty, as well as to ensure that their families don't suffer a loss of income while their loved ones serve.

With the passage of the Uniformed Services Employment and Reemployment Act (USERRA) in 1994, John Deere has viewed these employment rights as a minimum obligation to our employees. We have taken a number of steps beyond the legal requirements to support our men and women called to duty. Special provisions to our

company's military leave and pay policies were adopted following the terrorist attacks in September of 2001. These enhancements have remained in place as the global war on terrorism continues. These provisions ensure that those called to full-time military service are provided 12 months of salary or wage differential as well as full health, life and other John Deere benefits. After twelve months, these military personnel are eligible for an additional six months of company-sponsored medical and dental benefits.

There is no minimum service requirement for military personnel to receive such benefits. Presently we have 55 employees serving our country and receiving these benefits while engaged in full-time military service. John Deere takes great pride in providing these enhancements to the Uniformed Services Employment and Reemployment Act and views this approach as an important part of our corporate citizenship. Additionally, John Deere benefits when these citizen-soldiers return home and bring their added skills, training and work ethic to assist our company in meeting the competitive challenges of the global marketplace.

In addition to John Deere's enhanced support for employees called to duty, our company is among those that have partnered with the United States Army in a program called Partnership for Youth Success, or as it is more frequently called by its acronym - PaYS. PaYS was conceived by the United States Army Recruiting Command and advanced by the Command's Major General Michael D. Rochelle as a win-win approach to address the recruitment needs of employers and the Army. The program allows the Army to use offers of employment opportunities with partner corporations as a recruitment tool. Upon entering military service, Army recruits would, at their option, select a partner company and job category for potential employment upon exiting military service. PaYS allows recruits to align their military training opportunities with actual private sector job requirements. Simply put, the corporate brand of John Deere and other leading companies is leveraged by the Army in their recruitment of talent. Following the completion of military service, John Deere and other corporate partners receive the benefits of these soldiers' excellent military training and experience.

The program is beneficial for the Army, their corporate partners and the recruits. PaYS helps the Army in their recruitment efforts, pairs talent with John Deere's actual business needs, and assures recruits that their military training is transferable to the private sector.

Because the program was launched in 2000, the first enlistees in the program will soon be exiting the military for civilian life. John Deere looks forward to hiring its first "class" of veterans of the PaYS program. We fully expect to benefit from not only their extensive targeted training but also from the maturity and discipline gained through their military service. Over the next several years, John Deere will give hiring preference to more than 200 Army PaYS "graduates" for employment opportunities within our company. We are flattered that these veterans would choose John Deere as a future employer and look forward to their service within our organization.

The Army deserves great credit for the development of this innovative program that benefits recruits, corporate partners and, of course, the military and its veterans. Our company is very proud to be associated with the United States Army through PaYS, which in a small way allows John Deere to further serve our country.

Thank you again, Mr. Chairman, for allowing me to share with you how John Deere supports our employees called to military service as well as how John Deere and the United States Army are beneficiaries of the Partnership for Youth Success, a valuable public-private partnership.

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Steve Wohlwend
Curriculum Vitae

Steven A. Wohlwend has been employed by Deere & Company for twenty-six years. He currently serves as Senior Division Manager, Industrial Relations for Deere & Company and offices in the company's worldwide headquarters in Moline, Illinois. In this capacity Mr. Wohlwend develops, manages and negotiates labor agreements with three major unions and oversees the health and pension benefits for all U.S. Deere salaried employees. In prior positions with the Company, Mr. Wohlwend has served as Human Resources Manager for John Deere Dubuque Works as well as having held other Compensation, Benefits and Industrial Relations positions. He earned a B.A. degree at Wartburg College as well as a M.A. degree at Iowa State University. Mr. Wohlwend resides in Bettendorf, Iowa.

Federal Grants or Contracts Relative to the Testimony

Deere & Company has not received any Federal Grants or any Federal Contracts relative to the subject matter of today's testimony. Whereas it is neither germane to the Veterans' Affairs Committee nor necessary as such to disclose pursuant to the House Rules, Deere & Company does provide the U.S. Department of Defense with equipment sales via competitive bid and cooperates with DOD-led Research and Development.